

Town & Parish Council Audit Services
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INTERNAL AUDIT REPORT

ALCESTER TOWN COUNCIL

FINANCIAL YEAR 2025/26

1. Background and general summary

Town & Parish Council Audit Services has been appointed by Alcester Town Council to provide an independent internal audit for the financial year ending 31st March 2026. The Audit is provided on the basis of information provided by the Clerk to the Council, along with a review of the supporting records, together with audit of information available on the Council website.

1. Alcester Town Council is made up of sixteen Councillors representing wards within the parish with the quorum for meetings being 6
2. The Council currently does not have any vacancies and the Council demonstrates and documents adherence to statute and due procedures when filling vacancies.
3. The Council also has three Committees ; Planning Committee, Finance and General Purposes Committee and Staffing Committee. Role and responsibility along with any delegated powers for each Committee are evidenced, along with evidence of due procedure to update Terms of Reference.
4. The Council has a number of Working Groups who operate within an agreed remit on behalf of the Town Council eg Community Engagement Working Group, Squash Courts Working Group. During the audit year the Asset Mapping Task and Finish Group was established along with Terms of Reference ; an advisory group to map assets and services that are the responsibility of Warwickshire County Council and Stratford District Council
5. The Council has Councillors who are representatives within the community on various bodies and organisations eg The Greig Hall, Moorfields
6. The Council has agreed Lead Councillors eg Play areas, Footpaths who report direct to the Town Council with regular reports and recommendations
7. Full Council Meetings are held monthly with meeting dates, along with Committee meeting dates, published on Parish Council noticeboard and the website.
8. The Clerk is CiLCA qualified and also completed the PIALC qualification during the audit year. There is an allocated training budget of £1500 and evidence of relevant staff training to enable the Council to deliver services. Councillors also attend training to enable them to fulfill their duties in public office. There is a training policy for both Councillors and staff.
9. The Council is a member of the Association for Local Councils, Society of Local Council Clerks and also National Association of Local Councils
10. 13th edition of Local Council Administration is utilised by the Council
11. The Council has a grant scheme (details available on website) and a relevant Grant Awarding Policy as agreed by the Council and had been reviewed during the audit period.

2. Actions/recommendations following 2024-25 Audit

Following the previous audit, I can confirm that the Town Council undertook the following :

1. Following the recommendation from the Internal Audit for 2024-25 the minutes record that Councillors provide reasons for their absence when submitting apologies, thereby avoiding the risk of the six month rule around attendance and apologies.
2. The Clerk utilises a .gov email address. All Councillors currently have gmail email addresses which are solely used for Parish Council business. The Clerk is currently looking at transferring Councillors emails to a .gov mail address as a future action.
3. Minute numbers are recorded sequentially with bound minutes
4. Agenda wording reflects the need for Councillors to request dispensation when setting budget and precept
5. Advertisement of Allowances as zero undertaken
6. The format of the Asset Register now gives detailed breakdown of playground equipment and related information ie location, value
7. External Auditors gave a view that the Town Council needed to re-adopt the Code of Conduct on an annual basis and this has been done.
8. Evidence in budget setting process that the Council has implemented guidance from External Auditor for General Reserves should at a minimum allow for three months expenditure. This was incorporated into the 2025/26 budget.

RECOMMENDATIONS

I am satisfied that Alcester Town Council has given careful consideration and discussion of all recommendations from both Internal and External Auditors and taken appropriate actions.

3. Working documents, Policies and procedures

OBJECTIVE : To ensure that the Council has both statutory and recommended documents, Policies and procedures in place to enable the Council to meet its statutory duties

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to evidence correct procedures
- Evidence was sought within the minutes to show adoption of required Policies
- Evidence was sought from the website to review Policies adopted

AUDIT SUMMARY

1. The Council reviewed and re-adopted their Standing Orders (October 2025) and Financial Regulations (July 2025)) in accordance with NALC model policies and to reflect changes required for the efficient and legal running of the Town Council. Code of Conduct was reviewed August 2025.
2. The Council regularly reviews and updates a range of Policies and Procedures throughout the year ; during the year audited these included the Community Engagement Policy with Action Plan (Nov 25), Complaints Procedure (Aug 2025), Data Protection Policy (March 2026), Disciplinary Policy (May 2025), Document Retention Policy (March 2026), Grievance Policy (May 2025), Health & Safety Policy (June 2025), IT and email Policy (May 2025), Mayor's Protocol (Sept 2025), Publications Policy and Publications Scheme (April 2026), Reserves Policy (May 2025), Safeguarding Policy (Aug 2025), Scheme of Delegation (July 2025), Tree Management Policy (Sept 2025).
3. The website provides access to Council documents which includes Financial Regulations, Standing Orders, Code of Conduct and other policies adopted prior to the current audit year.
4. The Council adopted and signed the NALC Civility and Respect (April 2025).
5. In accordance with statutory requirements a summons is included in the Agenda to each Councillor, which is signed by the Clerk and displayed a minimum of three clear days in advance of the meeting according to statutory requirements. Agendas and Minutes for all meetings provided to Councillors, displayed on the noticeboard and available on the Council website.
6. Agendas provide opportunity for Councillors to declare any interests on Agenda items with Members interests forms duly completed by each Councillor, which is published on the Council website along with links to their completed forms. Members interests are also included on the District Council website.
7. A copy of the Council Agendas and minutes was available for inspection in a minute book. Minutes are signed and dated by the Chair and this is recorded within the minutes. Agendas and Minutes, along with meeting documents, are available on the website in PDF format providing an accessible means to view, download and print.
8. Apologies for absence are recorded within the minutes and whether they are accepted or not accepted. Minutes record whether a reason for absence has been provided and accepted.

INTERNAL AUDIT

9. The Chair and Vice Chair sign and complete their Declaration of Acceptance of Office which is duly recorded and Councillors have each signed a Declaration of Acceptance of Office.
10. A list of Councillors and their responsibilities, roles and Committee membership is published and available on the Council website where applicable.
11. The Council has developed a Strategic Plan (June 2023) which is delivered through an Annual Action Plan, with the Action Plan for 2025-26 being approved and reviewed regularly by the Council. Any areas of expenditure anticipated are incorporated into the annual budgeting process as a consideration for budget and precept setting and this is evidenced in the minutes.
12. Council holds the General Power of Competence (23rd May 2023)
13. The Council holds the Local Council Quality Gold Award .

RECOMMENDATIONS

No recommendations

4. Budgetary Controls and Financial decisions

OBJECTIVE : To ensure that a budget has been accurately prepared by the Council and adopted in the process of setting the Precept

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to ensure reference to the budgets prepared
- Evidence was sought within the minutes to show benchmarking of budgets against actual income and expenditure
- Current income and expenditure has been discussed by the Council in relation to the following years budget and preparation of year end profit and loss account

AUDIT SUMMARY

1. The Council holds two accounts with Lloyds bank – Current and Treasurer account.
2. The Council meets monthly throughout the year and monitors progress by receiving reports from the Finance and General Purposes Committee and the Town Clerk. Management accounts are reported to the Council quarterly, with the F & GP Committee receiving monthly accounts and bank reconciliations.
3. A Councillor who is not a signatory is appointed each year to check the quarterly bank reconciliation statement against original bank statements. The Committee also carries out regular reviews of the Council's internal controls, systems and procedures, and addresses any issues that arise.
4. All accounts for payment are reported to the Council for approval. The two Councillor signature (digital authorisation) rule is applied with two members of the Council who are bank signatories and the Clerk authorise payments ie cheques, BACS transfers with authorisations being done over email. Payments made by direct debits are done so with an authorised list of direct debits through the Finance & General Purposes Committee, which are reflected in paperwork through bank statements and Invoices, and approved by full Council.
5. An electronic payment procedure covers budget control and administration for all payments with eight Councillors approved for authorising payments. Bank mandates are reviewed annually.
6. The Council has a debit card with an approved procedure for use, with a limit of £500 per transaction without prior approval. The debit card is stored securely in the safe in the office and only the Clerk is authorised to use.
7. The Council prepares and approves a budget in a timely manner before setting its Precept prior to the commencement of the financial year. Income and expenditure is reconciled at the point in time with projected forecasts to the end of the financial year. Current and forward budget is broken down into areas of income and expenditure in appropriate headings. Income clearly identifies Precept income and other income eg cemetery. Budget expenditure clearly identifies Salaries, NI, Pension, expenses and relevant expenditure relating to the different areas of Council business eg newsletter, grass cutting, utilities, CCTV, training, legal etc. When setting the budget, Dispensation requests are not submitted by individual Councillors and the Council has adopted the DCLG publication 'Openness and transparency on personal interests'. The audit concludes that arrangements are in place to enable the preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices. At their meeting on 7th January 2025 the Council set their budget at £455,245 with Precept at £410,120

INTERNAL AUDIT

8. Receipt of Precept is evidenced in bank statements and also reported at the Finance and General Purpose Committee meetings.
9. The Council has an Investment Strategy which was reviewed and adopted by the Council in May 2025, along with a Reserves Policy and incorporated into Risk assessment. The Investment Strategy clearly identifies objectives, security, liquidity, long term investments and risk assessment. Income from investment is monitored with accounts showing income well above budget by 99.5% giving good investment return
10. Tenders and quotations for services are managed in accordance with adopted Financial Regulations and tendering procedures are demonstrated as being implemented thoroughly and documented in the minutes. Contracts for approved works following tendering process are issued as required, which thoroughly address risk factors such as contractors responsibilities, insolvency, health and safety, statutory requirements, risk assessments, insurance, failure in provision of the works, termination and dispute resolution. Contracts are signed prior to work commencing.
11. In accordance with JPAG recommendations the Council adopted a Reserves Policy covering both General Reserves and Earmarked Reserves and the process for managing and using reserves throughout the year and also as part of the annual budget and Precept setting process.
12. The Council has three Public Works and Loan Board loans, one of which was repaid during the audit year.
13. The Town Council has responsibility for Allotments and has appropriate tenancy agreements in place which are renewed in January of each year and referenced in Council minutes. There is a register of allotments and associated payments from tenants, which is reflected and accounted for in the Council budget documentation. There is a system in place to promptly follow up any account not paid with reminders and telephone calls – there are very few late payments.
14. The Town Council has responsibility for Burials and has an up to date burial register. Burial fees are approved by the Town Council and advertised on the Council website with a process in place to ensure that fees are paid two days before a burial. The Council is a member of the ICCM.
15. The Town Council has responsibility for Hall hire and uses Hallmaster software booking system with income received recorded appropriately. A Lloyds bank account is used for hire fees to make it easier to monitor payments.
16. The Council has a Grant Awarding Policy and procedure in place. This is currently being reviewed with a view of improving procedures to monitor expenditure of grants once awarded which includes a system of verifying the grant has been spent in accordance with the conditions of the award.
17. The Council received a grant from the Stratford on Avon District Council Community climate and Nature Fund during the audit year
18. The Council does not operate a Petty Cash system.
19. The Council has a procedure in place for the receipt of any cash received
20. No Councillor allowances are paid and this is advertised to the public accordingly as zero .

RECOMMENDATIONS

Where quotations are obtained, suggest minutes either reference number of quotations received or state that Financial Regulation procedures were adhered to. I am satisfied that procedures have been followed and this is just a minor comment to provide extra clarity in the minutes, and does not impact outcome of the audit.

Note : ongoing review of Grant Awarding Policy to implement system to monitor expenditure by organisations granted awards.

5. Risk Assessment

OBJECTIVE : To ensure risks are identified and managed effectively

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Review of Council Risk Assessment and areas covered
- Audit of payments linked to Council minutes
- Testing of income and expenditure processes
- VAT recovery procedures

AUDIT SUMMARY

1. The Council has the appropriate insurance cover in place which is reviewed annually – this was reviewed 12th June 2025 and an alternative insurance provider was contracted after obtaining quotations. New Insurance provider is Insurance Ecclesiastical Insurance UK under 3 year term providing £500,000 Fidelity Guarantee, £10million public liability insurance cover and £5million Employers' Liability cover.
2. The Council has a Statement of Internal Control as part of its risk management and inspections of property and equipment by staff or Councillors are undertaken. A schedule of assets is maintained by the Council. The statement of Internal Control includes arrangements for Internal Audit and External Audit. There is an annual review of the effectiveness of Internal Controls with matters of concern being reported to the Finance and General Purposes Committee in the first instance and then full Council. This provides a robust system of risk assessment and managing risk.
3. Electronic data is backed up using both an external hard drive which is stored away from the minutes. Minutes are stored in a locked cupboard in the office and in line with Retention of Documents policy older minutes are archived at Warwickshire Museum.
4. Risk Assessment and Management document reviewed (March 2026) which clearly identifies risk by category, risk description, probability and consequence along with risk level eg high, medium or low. It also identifies actions to be taken following annual review of document. This is prepared by F & GP Committee and adopted at Full Council and provides robust risk management system.

RECOMMENDATIONS

None

Assets

OBJECTIVE : To ensure a complete and accurate register is kept detailing all the assets owned by the Parish Council

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Confirmation of Council Asset Register
- Ensure assets have adequate description to enable them to be identified
- Ensure assets have cost value and there is process in place for inspecting and re-evaluating costs

AUDIT SUMMARY

1. The Council holds an up to date Asset Register and this is reviewed annually, with items purchased added and valued and a process in place for removing items off the Asset Register.
2. The Asset Register clearly identifies the asset and value for insurance purposes and transparency.
3. The Asset Register is published on the Council website as a public document
4. Land and buildings are included in the assets and published
5. Parish Assets have been inspected for risk and minuted – staff undertake a physical inspection of all assets (F & GP Committee March 2026)
6. Risk assessment and management covers items on Asset Register
7. A process is in place for re-evaluating costs and links with Council insurance cover

RECOMMENDATIONS

None

Payroll and HR

OBJECTIVE : To ensure amounts paid as salary are correct and have been subject to PAYE/NIC deductions which have been calculated in accordance with PAYE regulations. To ensure that all deductions have been paid over to HMRC within time constraints. To ensure that pension deductions have been calculated at the correct rate and paid over to the required body in accordance with Pension Regulations.

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Review of procedures for salary payments
- Review of procedures for implementing tax codes and relevant deductions
- Review of pension deduction procedures and reporting to relevant pension scheme
- Review to ensure that payments are accurately authorised by the Council and recorded in minutes of meetings
- Review of relevant employment practices and procedures to ensure good governance
- Ensure that any contractual changes are recorded

AUDIT SUMMARY

1. All staff have been issued with Contracts of Employment.
2. There is evidence within the minutes of salary payments along with the relevant statutory requirements regarding Tax and NI insurance contributions included within the budget headings, and supporting documentation provided. HMRC PAYE Annual statement inspected. The Council uses Sage 50 Payroll software for payroll services and has a subscription to support services. Checking of bank statements evidences the payment of salaries to individuals and spot check audit of payroll records provides an audit trail to verify payment of salary against bank statement, and relevant statutory deductions.
3. Evidence within accounts and minutes authorising payments to Pension Fund for staff with an audit trail provided back to bank account statements. The Council has a Policy supporting their adopted Pension Policy for staff employed by the Council and providers used.
4. As an employer administering the Local Government Pension Scheme the Council had adopted the relevant statutory Policies ie Discretions Policy and policies within, and submitted them to the Pension Scheme administrators.
5. There is also evidence in the minutes of authorisations to HMRC for tax and National Insurance payments which provides a checked audit trail back to bank statements and pay slips
6. Salary rates are regularly reviewed and adjustments were made during the year to ensure all staff are paid the minimum wage. Evidence in minutes of national pay award being implemented for Council staff.
7. Statutory HR policies and procedures are in place
8. The Council was awarded a Bronze Award Certificate in the Employer Recognition Scheme during the audit year

RECOMMENDATIONS

None

Bank and cash income and expenses

OBJECTIVE : To ensure systems in place for the accurate recording of all income and expenditure is sufficient and free from material error or misstatement. To ensure that all expenditure has been authorised by the Council and minuted accordingly and that all income can be verified to the source

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Bank reconciliation has been checked for arithmetical accuracy. Brought forward balance agreed to previous year reconciliation
- Bank balances have been agreed to bank statements as at 31st March 2026 and receipts and payments totals agreed
- A sample of costs verified against meeting minutes, vouchers, authorised payment, paid in accordance of the instructions, VAT correctly recorded

AUDIT SUMMARY

1. An Internal Financial control checklist is completed at the end of each month which checks items completed in a timely manner which includes filing of minutes, payroll completed, pension payments completed, HMRC paid, bank statements received checked and filed, payments file completed, payments and receipts inputting onto Omega, bank reconciliation completed, monthly accounts prepared, VAT claim and Cllrs to countersign bank reconciliation. Where items have not been completed they are carried forward accordingly ie VAT claimed quarterly not monthly. The checklist also identifies any actions required.
2. Bank reconciliations are presented and approved by the Council in accordance with procedures outlined in Financial Regulations and audit checks completed for arithmetical accuracy with no concerns.
3. Bank account is held with reputable high street bank with all accounts being covered by the Financial Services Compensation Fund. Bank statements are made available to all Councillors as well as income and expenditure information to note and approve against budget. No petty cash is held.
4. Records of payments are contained within the minutes of the meetings and approved for payment by the Parish Council, detailing payee, amount and purpose of payment.
5. A debit card is used with appropriate procedure within Financial Regulations and also the Financial and Administrative risk assessment – there is a clear written procedure relating to the use of the debit card.

RECOMMENDATIONS - None

Assertion 10

OBJECTIVE : To ensure systems in place and that the Council meets the requirements of Assertion 10

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Review of IT Policy
- Review and confirm use of domain owned website
- Review and confirm use of compliant email address
- Review and confirm that the Council website is operational, publishes statutory documents and is accessible in terms of finding the transparency required information
- To determine if Accessibility Statement is available that meets WCAG 2.2 AA requirements

AUDIT SUMMARY :

- The Parish Council has adopted and implements an IT policy
- The Council has a domain owned website which is a .org domain
- The Council has a compliant email address
- The Parish Council has an Accessibility Statement that meets requirements and also has a Privacy Policy. The Accessibility Statement identifies some documents which may not be fully accessible and alternative ways of obtaining the information.
- The Council meets its statutory requirements in accordance with GDPR, with the Clerk and Councillors having undertaken GDPR training
- The Council is registered with the Information Commissioner. The Council has implemented a Freedom of Information Policy based on the ICO Publication Scheme.
- Document management is effective with secure digital data back up
- The Council has a Publication Scheme which is adopted, reviewed and published detailing all categories of information available.
- The Council complies with the Transparency Act
- The website has evidence of regular dated updates
- Website documents are PDF format and therefore navigable for readers.
- There is evidence that the Council recognizes its obligations under data protection law

RECOMMENDATIONS :

- None

Assertion 10

OBJECTIVE : To ensure systems in place and that the Council meets the requirements of Assertion 10

WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Review of IT Policy
- Review and confirm use of domain owned website
- Review and confirm use of compliant email address
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AUDIT SUMMARY :

- The Parish Council has adopted and implements an IT policy
- The Council has a domain owned website which is a .org domain
- The Council has a compliant email address
- The Parish Council has an Accessibility Statement that meets requirements and also has a Privacy Policy.
- The Council meets its statutory requirements in accordance with GDPR
- The Council is registered with the Information Commissioner. The Council has implemented a Freedom of Information Policy based on the ICO Publication Scheme.
- Document management is effective with secure digital data back up
- The Council has a Publication Scheme which is adopted, reviewed and published detailing all categories of information available.
- The Council complies with the Transparency Act
- The website has evidence of regular dated updates
- Website documents are PDF format and therefore navigable for readers.
- There is evidence that the Council recognizes its obligations under data protection law

RECOMMENDATIONS :

- None

ALCESTER TOWN COUNCIL INTERNAL AUDIT

TOWN AND PARISH COUNCIL AUDIT SERVICES

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Internal Audit for Alcester Town Council

The Accounts and Audit (England) Regulations 2015 (as amended) state that Town and Parsh Councils are to conduct an internal audit to assess the risk management, control and governance processes, with reference to relevant public sector internal auditing standards and guidance, such as the Governance and Accountability for Local Councils Practitioners' Guide.

I confirm that I do not have any role within the Council and carried out my audit without bias and follow the Public Sector Internal; Audit Standards 2012 to enable the Council to comply with these Standards and Accounting regulations. Internal audit procedures have been planned to facilitate the provision of our opinion regarding the control objectives outlined in the Annual Internal Auditor's Report as part of the 2025-26 Annual Governance and Accountability Return (AGAR).

Based on the audit it is my view that the internal control procedures in operation are adequate to meet the needs of the Council, and that there are no significant areas of concern and no significant matters to raise. The AGAR return for 2025/26 has been duly completed to reflect this.

Yours sincerely,



Louise Baudet

Town and Parish Council Audit Services

25th May 2026